

*In this chapter, we discuss the applicability of the SFA Program requirements to programs offered through distance education.*

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**F**or some time now, schools have used various modes of delivering instruction to provide access to students who cannot or find it inconvenient to engage in traditional on-campus study. These modes of delivering include providing courses at off-campus sites or on weekend, correspondence study, and video based on televised instruction.

Distance education is not a new mode of delivery. However, the availability of new technologies and the Internet have spurred significant growth in the number and types of distance education programs schools offer today.

The result is that certain SFA Program requirements, which tend to be organized around the structures of on-campus instruction, restrict or not easily applied to distance education programs.

The Higher Education Amendments of 1998, Public Law 105-244 (the Amendments of 1998) address this growing problem by authorizing a Distance Education Demonstration Program (Demonstration Program). The Demonstration Program provides the opportunity for schools and the Department to experiment with various ways to assure integrity in the SFA Programs in these new distance education centers.

For currently existing distance education programs that are not part of the Demonstration Program, the guidance on the applicability of current SFA Program requirements, provided in Dear Colleague letter GEN-98-10, is applicable. This guidance is included below.

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## Distance Education Demonstration Program

*Sec. 486*

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## Distance Education

*An educational process that is characterized by the separation, in time or place, of the student and instructor and includes courses offered principally through the use of various means including television, audio, or computer transmission, such as open broadcast, closed circuit, cable, microwave, or satellite transmission; audio or computer conferencing; video cassettes or discs; or correspondence.*

Amendments  
of 1998

Amendments  
of 1998

## DISTANCE EDUCATION DEMONSTRATION PROGRAMS

### *Purpose of the Demonstration Program*

The Distance Education Demonstration (DED) Program was created by the Amendments of 1998 to

- test the quality and viability of distance education programs,
- increase student access to higher education through distance education programs,
- help determine
  - △ the most effective means of delivering quality education through distance education programs,
  - △ specific statutory and regulatory provisions needing modification to provide greater access to distance education programs, and
  - △ the appropriate levels of Federal student assistance for students enrolled in distance education programs.

### *Waivers of SFA Program Requirements*

The Department may waive for schools in the demonstration program specific requirements in Parts F and G of the HEA related to computer costs, weeks of instruction, the Correspondence Course Limitation, and the Correspondence Student Limitation, and regulations that inhibit the operation of distance education. (For more information on the Correspondence Course Limitation, and the Correspondence Student Limitation, see Chapter 1).

### *Eligible Applicants*

The Department is authorized to select institutions, systems of institutions, or consortia of institutions to participate in the demonstration program. On February 4, 1999, the Department published in the *Federal Register* a Notice inviting applications for participation in the Demonstration Program. Applications were due by April 1, 1999.

A school was eligible to apply to participate in the Demonstration Program if it:

- Is located in the United States and participates in the SFA Programs;
- Provides a 2-year program that leads to an associate degree or a 4-year program that leads to a baccalaureate degree or higher degree and would be eligible to participate in the SFA Programs but for the fact that they do not meet the Correspondence Course Limitation, and/or the Correspondence Student Limitation; or
- Is Western Governors University.

In addition, systems and consortia of these institutions were eligible to apply to participate in the program.

### ***Applying to Participate***

Each applicant institution was required to submit an application to the Department that included

- descriptions of its consultation with its accrediting agency with regard to quality assurances of its distance education program,
- proposed waivers of statutory and regulatory requirements and the reason the waivers are being sought,
- a description of the programs and students to whom the programs will be offered
- an assurance of full cooperation in evaluations of the demonstration program, and
- any other information the Department may require

### ***Selection of Participants***

The Department may select up to 15 participants for the first year. The Department may add up to 35 participants for the third year, if the Department believes expansion is warranted based upon the evaluations conducted in accordance with specific criteria in the law (see below).

When selecting participants, the Department must take into account:

- the number and quality of applications received
- the Department's capacity to monitor each school's participation, and
- each school's financial responsibility, administrative capability, and the program(s) being offered through distance education, and
- the diversity of the schools selected with respect to size, mission, and geographic distribution.

### ***Evaluation of the Demonstration Program***

The Department must evaluate each demonstration program on an annual basis. This evaluation must address

- the extent to which a participant has met the goals set forth in its application, including the measures of program quality assurance,

- the number and types of student participation, including the progress of students toward certificates or degrees, and the extent to which participation in the programs increased,
- issues related to student financial assistance for distance education,
- effective technologies for delivering distance education course offerings, and
- impediments caused by program requirements not waived.

In addition, the Department must review current policies and identify those that present impediments to the development and use of distance education and to other nontraditional methods of expanding access to higher education.

The Department must report to Congress within 18 months of the demonstration program's initiation with respect to the evaluations of the programs and any proposed statutory changes designed to enhance the use of distance education. In addition, the Department must provide additional annual reports to Congress regarding the demonstration programs.

### *Oversight*

The Department must carry out, on a continuing basis, various oversight activities, including assuring participants' compliance with applicable statutory and regulatory requirements, providing technical assistance, monitoring student participation, and consulting with accrediting agencies and State regulatory authorities.

### *Notification to the Public and Congress*

The Department must make available to the public and the Congress a list of participants, the specific requirements being waived for each participant, and a description of the distance education courses being offered by each participating institution.

### **"DEAR COLLEAGUE" LETTER GEN-98-10**

"Dear Colleague" letter GEN-98-10, published in May 1998, provided information regarding the applicability of the SFA Program requirements to distance education programs. This guidance remains applicable to distance education programs that are offered at schools that do not participate in the Demonstration Program. Although the "Dear Colleague" letter provided information on many areas other than institutional eligibility and participation, all the guidance of the "Dear Colleague" is repeated here so that a school may review it in its entirety.

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## Definitions

### ***What is a correspondence course?***

A correspondence course is a home study course provided by a school to students who are not physically attending classes at the school. The school provides instructional materials, including examinations, to the students. When students complete a portion of the instructional materials, the students take the examinations that relate to that portion of the materials and return the examinations to the school for grading.

A home study course that is delivered in whole or in part through video cassettes or video discs is a correspondence course unless the school also delivers comparable instruction to students physically attending classes at the school during the same award year.

A telecommunications course (see below) is a correspondence course for purposes of SFA Program eligibility, if the sum of telecommunications and other correspondence courses offered by that school equals or exceeds 50 percent of the total courses offered at that school.

If a course is part correspondence and part residential training, the course is considered to be a correspondence course.

### ***What is a telecommunications course?***

A telecommunications course is a course offered principally through the use of television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave, satellite, audio conferencing, computer conferencing, video cassettes or discs.

The term “telecommunications” does not include a course that is delivered using video cassettes or disc recordings unless the school also delivers comparable instruction offered on the cassettes or discs to students physically attending classes at the school during the same award year. If the course offered in the manner described above does not qualify as a telecommunications course, it is a correspondence course.

### ***What is an educational program?***

An educational program is a legally authorized postsecondary program of organized instruction or study that leads to an academic, professional, or vocational degree or certificate, or other recognized educational credential. However, a school is not considered to be providing an educational program if the school does not provide instruction itself (including a course of independent study), but merely gives credit for one or more of the following: instruction provided by other schools or schools; examinations provided by agencies or organizations; or other accomplishments such as life experience.

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## Correspondence Course

*Sec. 484(l); 34 CFR 600.2*

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## Telecommunications Course

*Sec. 484(l); 34 CFR 600.2*

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## Educational Program

*34 CFR 600.2*

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**Institutional Eligibility**

*Sec. 481(a)(3)(A) and (B); 34 CFR 600.7*

***Institutional Eligibility***

***What is the effect of the offering of correspondence courses on institutional eligibility?***

In general, a school does not qualify as eligible to participate in the SFA Programs if, for the latest complete award year,

- more than 50 percent of the school's courses were correspondence courses, or
- 50 percent or more of the school's regular enrolled students were enrolled in correspondence courses.

For purposes of this provision a telecommunications course is considered to be a correspondence course if the sum of telecommunications and correspondence courses the school provided during its latest complete award year equaled or exceeded 50 percent of the total number of courses it provided during that year.

These restrictions do not apply to a school that qualifies as a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left high school and who are available for study in preparation for entering the labor market under section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act;

***Calculating the number of correspondence courses.***

- A correspondence course may be a complete educational program offered by correspondence, or one course provided by correspondence in an on-campus (residential) educational program;
- A course must be considered as being offered once during an award year regardless of the number of times it is offered during that year; and
- A course that is offered both on campus and by correspondence must be considered two courses for the purpose of determining the total number of courses the school provided during an award year.

***Student Eligibility***

***Are there any limits on a student's eligibility for SFA Program funds for attendance in a correspondence course?***

A student is not eligible to receive SFA Program funds for a correspondence course unless the course is part of a program leading to an associate, bachelor's, graduate, or professional degree. This means no student enrolled in certificate programs or other short term programs offered through correspondence is eligible to receive SFA Program funds.

A student enrolled in a telecommunications course is considered enrolled in a correspondence course unless the total number of

telecommunication and correspondence courses the school provides is fewer than 50 percent of the courses the school provides during an award year, and the student is enrolled in a program that leads to an associate, bachelor's, graduate, or professional degree. (In making this determination, the school must use its latest complete award year, and must calculate the number of courses as described above.)

In order to be eligible for SFA Program funds, a student enrolled solely in a program of study by correspondence must be carrying a work load of at least 12 hours of work per week, or must be earning at least 6 credit hours per semester, trimester, or quarter. A student enrolled solely in correspondence study cannot be considered more than a half-time student.

### *Cost of Attendance*

#### ***What costs can be included in a student's cost of attendance?***

For a student engaged in a program of study by correspondence, generally the only costs that can be included in the student's cost of attendance are tuition and fees and, if required, books and supplies. Travel and room and board costs can only be included if they are incurred specifically in fulfilling a required period of residential training.

Generally, a student who is studying via telecommunications does not have any restrictions placed on his or her cost of attendance unless the financial aid officer determines (using his or her professional judgement) that telecommunications instruction results in a substantially reduced cost of attendance.

The cost of equipment can be included in the cost of attendance of a student studying by correspondence or telecommunications if such equipment is required of all students in the same program.

### *Federal Pell Grant Program and Federal Supplemental Educational Opportunity Grant (FSEOG) Program Disbursements*

#### ***Are there any special disbursement rules that apply to students in correspondence courses?***

Generally, Federal Pell Grant Program and FSEOG Program disbursements can be made up to 10 days before the first day of classes for a payment period. However, there are special rules for students enrolled in correspondence study programs.

#### *FSEOG Program*

A correspondence student must submit his or her first completed lesson before receiving an FSEOG payment.

#### *Pell Grant Program*

For a non-term-based correspondence portion of a program of study the school must make—

- the first payment to a student for an academic year after the student submits 25 percent of the lessons, or otherwise

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### **Cost of Attendance**

*Sec. 472(5) and 472*

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### **FSEOG Program Disbursements**

*34 CFR 676.16(f)*

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### **Pell Grant Program Disbursements**

*34 CFR 690.66*

completes 25 percent of the work scheduled for the program or the academic year, whichever occurs last; and

- the second payment after the student submits 75 percent of the lessons, or otherwise completes 75 percent of the work scheduled for the program or the academic year, whichever occurs last.

For a term-based correspondence portion of a program of study the school must make the payment to a student for a payment period after the student completes 50% of the lessons, or otherwise completes 50% of the work scheduled for the term, whichever occurs last.

### *Miscellaneous Questions and Answers*

**1. Q.** How can you determine if a course is a telecommunications course or a correspondence course when the course is delivered using a video cassette or disc recording?

**A.** The course would be considered a telecommunications course if the school also delivers instruction, comparable to that offered on the cassette or disc, to students physically attending classes at the school during the same award year.

If the course offered on the cassette or disc is not offered to students physically attending classes at the school during the same award year, it is considered a correspondence course.

**2. Q.** Is a student enrolled in a correspondence or telecommunications course eligible to receive SFA Program funds for that course?

#### *A. For correspondence students*

If the student is enrolled in a program leading to an associate, bachelor's, or graduate or professional degree, the student is eligible to receive SFA Program funds. If the student is enrolled in a postsecondary vocational program leading to a certificate, diploma, or similar type of credential, the student is not eligible to receive SFA Program funds.

#### *For telecommunications students*

There is no special limit on the eligibility of telecommunication students to receive SFA Program funds as long as the telecommunication course is considered a telecommunication course and not a correspondence course. However, if the telecommunications course is considered a correspondence course (because the total of telecommunication and correspondence courses equals or exceeds 50 percent of the school's courses) the above correspondence limitation applies.

**3. Q.** May a school choose not to award SFA Program assistance to otherwise eligible students who are enrolled in distance education courses or programs?

**A.** No, a school may not make a blanket determination that it will refuse to provide SFA Program assistance to students enrolled in distance education programs or courses. However, a school may refuse to certify an FFEL application or originate a Direct Loan (or may reduce the amount of the FFEL or Direct Loan) for a student if the decision is made on a case-by-case basis, and the reason (not merely because the student is a distance education student) is provided to the student in writing and documented in the student's file.